

Amendments to House Bill No. 40
3rd Reading Copy

Requested by Senator Kelly Gebhardt

For the Senate Natural Resources Committee

Prepared by Sonja Nowakowski
March 23, 2009 (12:23pm)

1. Title, line 6.

Following: "PROCESS;"

Insert: "CREATING A TEMPORARY PERMIT FOR THE BENEFICIAL USE OF
WATER PRODUCED IN ASSOCIATION WITH COAL BED METHANE;
LIMITING THE BENEFICIAL USES OF WATER PRODUCED IN
ASSOCIATION WITH COAL BED METHANE; DEFINING THE SOURCE AND
POINT OF DIVERSION FOR A TEMPORARY PERMIT TO BENEFICIALLY
USE WATER PRODUCED IN ASSOCIATION WITH COAL BED METHANE;
ASSESSING A FEE;"

2. Title, line 11.

Following: "RECORD;"

Strike: "AND"

3. Title, line 12.

Following: "MCA"

Insert: "; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY
DATE"

4. Page 1.

Following: line 15

Insert: "NEW SECTION. Section 1. Temporary permit for
beneficial use of water produced in association with coal bed
methane -- findings -- limited use -- fee. (1) The legislature
finds that:

(a) water is produced from a coal seam to the surface of the
earth in association with the production of coal bed methane;

(b) water produced in association with coal bed methane must
be managed in accordance with 82-11-175;

(c) water produced in association with coal bed methane is
often usable for stock water, managed irrigation, domestic uses,
dust suppression, and other industrial uses;

(d) pursuant to 85-2-510, the board of oil and gas
conservation regulates the initial withdrawal of water produced
in association with coal bed methane;

(e) pursuant to 82-11-175(2)(a), the beneficial use of water
produced in association with coal bed methane is regulated by the
department;

(f) the jurisdiction of the department begins when water has
reached the surface of the earth and is in a pipeline, pond, pit,

or other means of containing or conveying the water;

(g) once the water produced in association with coal bed methane has reached the surface of the earth and is in a pipeline, pond, pit, or other means of containing or conveying the water, it is legally available for appropriation; and

(h) for the purposes of a temporary permit for a beneficial use allowed by this section, the water described in subsection (1)(g) is surface water.

(2) As provided in this section and in accordance with this part, the department shall issue a temporary permit for the beneficial use of water produced in association with coal bed methane.

(3) In addition to the requirements of this part, an application for a temporary permit under this section must:

(a) provide that the source of the appropriation is surface water in the pipeline, pond, pit, or other means of containing or conveying the water approved by the board of oil and gas conservation pursuant to 85-2-510;

(b) provide that the point of diversion is a specified place diverting the water from the pipeline, pond, pit, or other means of containing or conveying the water approved by the board of oil and gas conservation pursuant to 85-2-510;

(c) limit the use of the water to:

(i) stock water;

(ii) managed irrigation with no return flow to surface water;

(iii) dust suppression and other industrial uses;

(iv) domestic use; or

(v) distribution for the purposes of subsections (3)(c)(i) through (3)(c)(iv).

(4) A temporary permit issued under this section expires when the beneficial use ceases or the water produced in association with coal bed methane is no longer available.

(5) An applicant for a temporary permit under this section shall pay a \$200 fee to the department.

(6) (a) The holder of the temporary permit shall notify the department when the beneficial use ceases or the water produced in association with coal bed methane is no longer available.

(b) The owner of the coal bed methane well or the holder of the temporary permit shall give the landowner where the well is located reasonable notice that the temporary permit is about to expire."

Renumber: subsequent sections

5. Page 11.

Following: line 30

Insert: "NEW SECTION. **Section 9. {standard} Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 85, chapter 2, part 3, and the provisions of Title 85, chapter 2, part 3, apply to [section 1]."

Insert: "NEW SECTION. Section 10. Coordination instruction.
If Senate Bill No. 505 or House Bill No. 575, or both, is passed
and approved, then [section 1 of this act] is void."

Insert: "NEW SECTION. Section 11. {standard} Effective dates.
(1) Except as provided in subsection (2), [this act] is effective
July 1, 2009.

(2) [Section 1 and this section] are effective on passage
and approval."

Insert: "NEW SECTION. Section 12. Applicability. [Section 1]
applies to pending beneficial use applications for water produced
in association with coal bed methane submitted before [the
effective date of this act] and to beneficial use applications
for water produced in association with coal bed methane submitted
on or after [the effective date of this act]."

- END -